

Ella Pradeshiya Sabha

Badulla District

1. Financial Statements

1:1 Presentation of Financial Statements

The financial statements for the year under review had been presented for audit on 10 June 2013 and the financial statements for the preceding year had been presented for audit on 21 June 2012. The Report of the Auditor General for the year under review was furnished to the Chairman of the Sabha on 16 August 2013.

1:2 Opinion

In view of the comments and observations appearing in my report I do not express an opinion on the financial statements of the Ella Pradeshiya Sabha for the year ended 31 December 2012 presented for audit.

1:3 Comments on Financial Statements

1:3:1 Accounting Deficiencies

- (a) The arrears of water rates as at 01 January of the year under review amounting to Rs.934,587 had been brought to account as Rs.170,172 and as such the debtors as at 31 December 2012 had been understated by Rs.764,415 in the financial statements.
- (b) Two water tanks valued at Rs.113,400 purchased in the year under review had not been brought to account under the fixed assets. As such, the fixed assets and the balance of the Revenue Contribution to Capital Outlay Account had been understated by that amount in the financial statements.
- (c) The interest expense amounting to Rs.708,197 payable to the Local Loans and Development Fund for the year under review had been brought to account as

2:2:1 Estimated Revenue, Actual Revenue and Arrears of Revenue

The information on the estimated revenue, the actual revenue and the arrears of revenue for the year under review presented by the Chairman is given below.

Source of Revenue	Estimated Revenue	Actual	Cumulative Arrears as at 31 December
-----	-----	-----	-----
	5 V ¶	5 V ¶	5 V ¶
(i) Rates and Taxes	726	741	482
(ii) Lease Rents	901	613	667
(iii) Licence Fees	900	877	--
(iv) Other Revenue	3,037	2,291	6,012

2:2:2 Courts Fines and Stamp Fees

Moneys receivable as at 31 December 2012 from the Chief Secretary of the Provincial Council and other authorities are given below.

	Rs.
(i) Courts Fines	3,000,000
(ii) Stamp Fees	720,000

2:3 Losses

Out of the stock of water pipe equipment valued at Rs.561,305 purchased in the year under review for the maintenance work of the water supply schemes implemented in the area of authority of the Sabha, a shortage of equipment valued at Rs.47,887 was detected at the physical inspection carried out on 10 June 2013.

2:4 Operating Inefficiencies

